

**A Guide
to
Major Federal Job Training Programs**

The National Commission for Employment Policy

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Preface

by

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To the uninitiated, the diversity and scope of federally supported job training and placement programs can often seem overwhelming and confusing. Yet, to succeed, training programs require the active and informed participation of thousands of individual citizens and employers.

In an effort to increase public understanding of job training programs, specifically among members of Private Industry Councils — the private-public sector boards charged with administering federal training programs at the local level — the National Association of Private Industry Councils (NAPIC) and the National Commission for Employment Policy (NCEP) offer this introductory guide to the largest publicly sponsored programs.

Congress, the administration, and other interest groups recently have focused much attention on federal job training programs and their ability to adequately prepare Americans workers for the labor market. Employers require skilled, flexible, and responsive workers. Yet millions of Americans lack the capacity to get and keep jobs in an increasingly sophisticated economy. This is even more true given that our economy is undergoing a period of structural change. The resulting discrepancy between skill level and available jobs is not only detrimental to individuals, it curtails overall economic growth. To reduce this disparity between skills and need, the federal government funds programs to educate, train, and place people in permanent, unsubsidized jobs.

Job training supplements general education which aims to supply the broad basis of knowledge and understanding needed to function in society as well as in the labor market. However, successful job training is more comprehensive than a simple course of instruction. Individuals must be assessed to determine what training is appropriate to their needs and interests, they must receive supportive services while they are program participants, and be provided with job search assistance when they have completed training. *Thus, the term job training often applies not only to instruction itself but to the counseling, assessment, and placement services necessary to successfully link instruction to employment.*

The United States, unlike some other countries, does not have a single job training system, although Congress and other interested parties are proposing reform of the current system. Presently, however, America has a diverse set of local, state, and national education and training institutions and programs in the public and private sectors.

Job training, often under the rubric of "vocational" or "technical" education, is offered through some 22,000 high schools in 15,300 local school districts, through over 1,200 accredited community and technical colleges, and through literally thousands of private training institutions, organizations, and consultants. (It is estimated that there are 8,000 to 10,000 for-profit training organizations alone.)

The nation's 2,200 four-year colleges and universities also offer considerable job-specific training in such fields as nursing, medicine, law, and engineering. In addition, employers spend an estimated \$45 billion a year on the formal training of their workers using both their own training staff and outside organizations of all types.

These institutions and organizations are funded by an often bewildering variety of sources, including student tuition, state and local taxes, employer reimbursement to outside institutions, endowments, and dozens of federal programs.

The federal government funds less than 10 percent of all job training, public and private, but federal funds often leverage the spending of state and local governments and heavily influence the shape of programs provided by all job training organizations.

Federal programs tend to supplement more comprehensive state and local efforts and target the needs of certain broad groups such as the poor, the unemployed, and welfare recipients. There are also many small public programs aimed at the needs of very specific populations such as Native Americans, persons with disabilities, and refugees.

One goal of the National Commission for Employment Policy, an independent federal agency charged with advising the president and Congress on employment issues, is to assist and support state and local training systems in any way possible, particularly Private Industry Council volunteers. We hope that this overview, which covers the major training and related education programs, their respective relationships with one another and with state, local, and privately sponsored job training, is helpful.

I would also like to take this opportunity to thank Garrison Moore, who wrote this guide with editorial assistance from Robert Ainsworth of the NCEP, under the direction of Robert Knight, president of NAPIC. Thanks also to Lorrel Humber of NAPIC and Kay Drake Jones of the National Alliance of Business, who provided valuable editorial review and research assistance.

Introduction

The U.S. General Accounting Office estimates that the federal government spends some \$25 billion a year on 154 different federal employment-related programs in 14 separate federal departments and agencies. However, most of these programs are small, very specialized, or primarily for general education rather than job training (e.g., general college student loan programs). Well over 90 percent of federal job training funds are administered by just three federal departments — Education, Labor, and Health and Human Services.

The largest federal job training programs are authorized under:

1. The **Job Training Partnership Act** targeted to low-income and unemployed individuals, including "dislocated" workers who have been permanently displaced from long-held jobs;
2. The **Job Opportunities and Basic Skills — JOBS** — program for welfare recipients authorized under the Family Support Act of 1988;
3. The **Carl D. Perkins Vocational and Applied Technology Education Act of 1990** covering such areas as vocational education, Tech-Prep, and high school cooperative education;
4. The **Adult Education Act** providing grants to states to improve basic skills as a means of improving employment prospects;
5. The **Fitzgerald (or National Apprenticeship) Act** supporting apprenticeship; and
6. The **Rehabilitation Act of 1973** providing training services for the disabled.

Other federal programs that can have a direct bearing on the provision of job training services although not normally providing job training services as such include:

1. The **Wagner-Peyser Act** which authorizes the Employment Service;
2. The **Federal Unemployment Tax Act** (Unemployment Insurance);
3. The **Higher Education Act**, most notably the Pell Grant program for student expenses, student loan provisions, and postsecondary cooperative education;
4. The **School-to-Work Opportunities Act** which provides planning and implementation grants on a competitive basis to assist states and localities in establishing systems to facilitate the transition of young people from school to productive work;
5. The **Senior Community Service Employment Program** established under the Older Americans Act; and
6. The **Targeted Jobs Tax Credit** provisions of the U.S. Internal Revenue Code.

Relative Funding Levels

Funding for job training and job training-related federal programs varies widely. The following table provides funding levels appropriated by Congress for the fiscal year October 1994 through September 1995. Listed allocations are for all activities authorized under the legislation or program cited. (Note: Some programs are "forward funded," meaning, in the case of JTPA for instance, funds are released for a one-year period beginning in July 1995.) This table is for comparative purposes as funding levels change from year to year.

Program.....	FY 1995 Funding
Job Training Partnership Act	\$5,367,279,000
Job Opportunities and Basic Skills.....	1,300,000,000
Carl D. Perkins Vocational and Applied Technology Act of 1990	1,170,940,000
Adult Education Act.....	302,235,000
Fitzgerald (National Apprenticeship) Act	17,111,000
Rehabilitation Act of 1973	2,294,936,000
Wagner-Peyser Act	
State Employment Service.....	845,912,000
One-Stop Career Centers.....	120,000,000
State Unemployment Insurance Administration.....	3,416,285,000
Higher Education Act	
Pell Grant and other student financial assistance.....	7,702,970,000
Cooperative Education Program	6,927,000
School-to-Work Opportunities Act	250,000,000
Senior Community Service Employment Program	410,500,000

Major Federal Job Training Legislation

The Job Training Partnership Act

The Job Training Partnership Act (JTPA) is the major federal legislation supporting job training services to the low income and unemployed. A variety of programs are authorized to provide training services to low-income youth and adults (the economically disadvantaged, in JTPA parlance), and to those who have lost jobs to which they are not expected to return (dislocated workers). In addition, the legislation authorizes a variety of national JTPA programs targeted to special populations, most notably the Job Corps.

JTPA was originally enacted by Congress in 1982 and has been amended by congressional action several times, most recently in 1992. Each year Congress appropriates funds for the operations of JTPA to be spent beginning July 1 of the succeeding year.

Legislative Framework. The Act itself is divided into seven "titles" which establish the legislative framework for all activities and programs under JTPA. Title I provides the administrative framework. Titles II and III authorize the basic state and local programs: job training for economically disadvantaged youth and adults and for dislocated workers. Title IV authorizes national programs and activities. The other titles cover miscellaneous and technical provisions.

As is the case with most U.S. domestic government programs, the JTPA legislation has a rather complex federal-state-local administrative structure. Each level of government, along with local employer-led Private Industry Councils, has assigned roles and responsibilities for different aspects of the Act.

National Activities and Programs. While Congress legislates the basic rules and the amount of funding for the operation of JTPA, the U.S. Department of Labor (DOL) administers JTPA at the national level and develops regulations necessary to clarify and implement the legislation.

The Department of Labor is also charged with determining the exact allotment of funds to the states (authorized by formula in the Act), providing technical assistance, monitoring programs, conducting audits, developing labor market information, research, demonstration projects, and carrying out other administrative and support functions.

The Department of Labor also directly administers a number of national job training programs, including the Job Corps (which operates residential training centers for low-income youth in over 110 sites around the country), and job training programs for Native Americans, migrant and seasonal farm workers, and veterans. All of these programs are operated locally through contractors or designated organizations (e.g., Indian tribes).

In addition to DOL-administered programs, Title IV of JTPA establishes a National Commission for Employment Policy (NCEP). The commission is charged with the responsibility for examining broad issues of development, coordination, and administration of employment and training programs, and for advising the President and the Congress on national employment and training issues. The commission's 15 members are appointed by the president.

Taken together, national programs and activities account for about a quarter of the total JTPA funding.

The Job Corps receives the lion's share of this money, leaving about 5 percent of the total for other national programs and activities.

State Activities. The states play a key intermediary role in the administration of JTPA. Nearly 75 percent of the total JTPA funds are distributed to the governors for use by states, substate grantees, and local Private Industry Councils for programs authorized under Titles II and III of the Act.

The states:

- establish the boundaries for local JTPA districts within the states called **service delivery areas (SDAs)**;
- allocate funds, in most cases by federal formula, to the SDAs;
- establish local program performance standards;
- develop a statewide coordination plan for employment and training activities;
- directly administer funds for JTPA older worker programs, JTPA vocational education support, and dislocated worker activities;
- supply training and technical assistance to localities; and
- ensure accountability in program and financial reporting, and conduct biennial audits of local expenditures of JTPA funds.

The law provides **State Set-Asides** of funds to allow the states to carry out specific functions or programs. Each state is allowed to retain:

- 5 percent of all Title II funds it receives for administrative purposes;
- Another 5 percent of all Title II funds for performance incentives and technical assistance to the service delivery areas;
- 8 percent for the state vocational education system;
- 5 percent of Title II *adult funds only* for special older worker job training programs; and
- 40 percent of Title III funds to carry out a variety of state level dislocated worker-related activities.

The governor of each state is advised by a **State Job Training Coordinating Council**, which develops the state coordination plan, reviews local program performance, and may make specific funding recommendations in areas of state discretion. A **state administrative agency**, usually the state department of labor or employment security, is also designated by the governor to manage state JTPA programs and activities.

PICs and SDAs: Local JTPA Services. Employer-led **Private Industry Councils (PICs)** work in tandem with elected officials in local service delivery areas to administer the bulk of JTPA funds

authorized under Titles II and III. *In addition to overseeing the use of JTPA funds, the PIC is charged with helping to develop a broad workforce investment system through the coordination of all education and job training activities in its community.*

Although the terms *PIC* and *SDA* are often used interchangeably, the term *PIC* denotes the legal body of members who serve as the board of directors for the local program while the *SDA administrative entity* (usually a unit of local government and often just called the "SDA") is the organization which supplies the local administrative staff. (There are some 640 local PIC/SDAs throughout the country.)

The PIC/SDA may also receive other JTPA funds, including state JTPA older worker program funds for low-income adults over 55 years of age, additional Title III state grants for special dislocated worker programs, vocational education (JTPA 8 percent) funds, and state-determined JTPA performance incentive grants.

Many PICs/SDAs also solicit and receive non-JTPA public or private funds, which are not subject to JTPA regulations. For instance, the SDAs often provide job training services for welfare recipients participating in the Job Opportunities and Basic Skills (JOBS) program.

Programs and Basic Eligibility. The core JTPA programs that PICs oversee are funded under Titles II and III of the Act. These are:

1. Title II-A **Adult Training Programs**, which provide for job training services to low-income persons over the age of 21;
2. Title II-B **Summer Youth Employment and Training Programs**, which provide for summer jobs and remedial education services for low-income 14- to 21-year-olds;
3. Title II-C **Youth Training Programs**, which provide for year-round job training services for low-income 14- to 21-year-olds; and
4. Title III **Dislocated Workers Training Programs** for those of any age regardless of income who have lost jobs to which they are not expected to return.

Specific eligibility for each program is spelled out more precisely in the Act. The Act also strongly encourages PICs to fund services to individuals with the greatest needs.

Performance Standards. JTPA is a performance-driven system. Except for summer jobs programs, the primary goal of all JTPA programs is to *train and place participants in permanent, unsubsidized, year-round employment at a sustainable wage*. Each PIC has considerable latitude in achieving this goal. In return for this flexibility in the *process*, the PICs are required to commit to certain *outcomes*.

The state, using a formula that takes into account various economic conditions and types of clients served in each SDA, establishes program performance standards (job placement, increases in earnings, retention in jobs after placement, and reduction in welfare dependency). For youth, other positive outcomes (such as completing school, achieving specified employment competencies, or continuing training upon completion of high school) are used as performance measures in addition to job placement and retention.

PICs/SDAs are provided with both incentives and sanctions to exceed the established performance

standards. Financial incentives and technical assistance for achieving the standards are paid out of the state JTPA funds. If an SDA fails to meet minimum performance standards for more than two years, the SDA is subject to sanctions, including reorganization or the selection of an alternative SDA administrative entity.

Emphasis on Training. For most programs, the Act requires that at least 50 percent of the funds be used for direct training services and limits administrative costs to no more than 20 percent of an SDA's grant. The remaining funds may be used for such supportive services as counseling, transportation, and child care.

Job Training Services to Participants. The Act allows a wide variety of services to be provided within the cost limitations mentioned above. These include assessment, testing, counseling, basic education services, classroom vocational instruction, on-the-job training, job search training, and placement assistance. The mix of these services is determined by the needs of individual clients, labor market demand, and available resources within the community.

Service Providers. Although the PIC is free to direct SDA staff to provide any or all services without the use of contractors, most PICs find it cost-effective to subcontract a major part of the JTPA client services to outside service providers. Service providers may include both public and private organizations (for-profit and nonprofit) capable of providing any service necessary to achieve performance goals.

The SDA staff is required to carefully monitor and evaluate the performance of all subcontractors to ensure compliance with the law and to maintain the level of performance required by the performance standards.

Coordination Among Programs and Agencies. Most communities have a broad array of services available for the education, training, and placement of individuals in jobs. These include high schools, vocational education centers and programs, community and technical colleges, adult education programs, nonprofit community-based job training agencies, economic development agencies, the job placement services of local Employment Service offices, and a variety of public and private social service agencies.

The challenge for the PIC is to determine the strengths of each of these agencies and programs and to use JTPA funds judiciously to leverage the highest quality of services to the largest number of individuals. Toward this end, the PIC is encouraged to develop cost-effective coordination strategies among the many available programs including JTPA, JOBS, and vocational education.

The Job Opportunities and Basic Skills Program

In 1988 Congress enacted the first major overhaul of the nation's welfare programs in over 40 years. The original federal welfare programs were established under the Social Security Act during the New Deal of the 1930s to provide payments for widows with children who were not expected to work for pay. Over time, both the nature of the welfare clientele and the public's attitude toward women's participation in the workforce changed significantly.

The 1988 amendments to the Social Security Act, called the Family Support Act, attempted to redirect

the Aid to Families with Dependent Children (AFDC) program from income maintenance toward job training and placement. As a part of the Family Support Act, Congress mandated the Job Opportunities and Basic Skills (JOBS) program to develop and deliver job training services to welfare recipients. (The program is sometimes referred to as Title IV-F JOBS, indicating that the authorization appears in Title IV of the Social Security Act.) Congress will consider further changes in the training features of the current welfare system during the 104th Congress (1995-96).

Administrative Structure. As with all of the welfare system, the JOBS program is a federal-state cooperative program in which both levels of government contribute funds. At the national level the U.S. Department of Health and Human Services oversees the program in coordination with the U.S. Departments of Labor and Education.

State governments administer the JOBS program. Local administration varies from state to state reflecting the diversity of state welfare arrangements. (For instance, in some states welfare programs are staffed and administered directly by the state while in other states they are staffed and administered by county governments.) The welfare agency may staff the program directly or make arrangements with local JTPA service delivery areas, state and local education agencies, or with other public or private organizations.

Participation. The program requires participation by welfare recipients unless they are under age 16, in school full time, have children under the age of 3, are ill or are taking care of a sick relative, are pregnant, or are living in an area with no JOBS program services available. JOBS is targeted to young (under age 24) welfare recipients who lack a high school education or who have limited work experience; long-term welfare recipients; and welfare recipients with children over the age of 3. Any welfare recipient who is exempt from participation may participate on a voluntary basis and many do.

Services. Each state must make available a broad range of services and activities under JOBS to assist recipients in becoming self-sufficient. Mandatory services include:

- educational activities, including high school or equivalent education (combined with training as needed) and basic remedial education;
- job skills training;
- job readiness activities;
- job development and placement; and
- support services (child care, transportation, and work-related expenses).

The state must also make at least two of the following services available:

- group or individual job search;
- on-the-job training;
- work supplementation in which AFDC payments are diverted to subsidize job opportunities; and

- community work experience or other types of approved work experience.

The state may also offer postsecondary education and other services allowed by the regulations. "Transition services" (child care and health care) must be made available for those who need such services *after* obtaining employment.

Coordination. In most states the JOBS program has close working relations with the JTPA program, which independently serves large numbers of welfare recipients. The JOBS program often uses the JTPA program to provide basic job training and placement services. The JOBS program's emphasis on basic and remedial education also requires a close working relationship with the education system. JOBS programs work with adult education programs as well as high schools and community colleges to supply the educational services required under the program.

The Carl Perkins Act

Officially called the Carl D. Perkins Vocational and Applied Technology Act of 1990, this legislation is the latest in a line of federal statutes supporting vocational education going back to 1917. (The late Carl D. Perkins was the chairman of the U.S. House of Representatives' Education and Labor Committee for many years and a strong supporter of vocational education.)

The Act funds high school, community college, and adult occupational education programs. These funds account for only about 10 percent of all funding for vocational and technical education in the U.S. Most vocational education funding comes from local school districts and state governments. However, the requirements of the Carl Perkins Act often have a major impact throughout the vocational education system.

Legislative Structure. As with JTPA, the Carl Perkins Act is divided into "titles":

1. Title I provides the **general administrative framework** for assistance to the states.
2. Title II specifies requirements of **Basic State Grants**, which account for the bulk of the funding.
3. Title III provides authorization for a series of **Special Programs**, including funding for community-based organizations, consumer and homemaker education, career guidance and counseling, supplementary state grants for equipment, Tech-Prep, and other efforts.
4. Title IV authorizes **National Programs** concerning largely research issues, demonstrations, and information development, as well as support for a **National Council on Vocational Education**.
5. Titles V, VI, and VII cover **general and miscellaneous provisions** relating to the administration of the Act.

Funding Allocations. Most Carl Perkins funds go to local school districts and community colleges. The law restricts National Programs to 2.5 percent of total funding. Another approximately 20 percent is set aside for Special Programs, with Tech-Prep and State Grants for Facilities and Equipment

consuming the bulk of this. Special Program funds are allotted to states by a variety of methods, depending upon the program. The Basic State Grant accounts for nearly 80 percent of all funding and 75 percent of this is allocated through the state to local areas. The remaining 25 percent of the Basic Grant is reserved for state administration, technical assistance, professional and curriculum development, state corrections (prison) programs, and programs for displaced homemakers and to reduce sex discrimination in vocational education programming.

Substate Allocations. The 1990 amendments to the Perkins Act strongly target low-income and disabled individuals through its funding formula. Seventy percent of the local allocations is distributed by a formula linked to the number of low-income students in the district and 20 percent is distributed based on the number of handicapped students in each district.

Services. A wide range of vocational education services are authorized, though not mandated, under the Basic Grant. In general, the local areas are given broad discretion to respond to the education and training needs of their local labor markets. The services include various kinds of counseling and cooperative education (see Higher Education Act) in addition to classroom instruction.

Tech-Prep. For decades vocational education has been provided by high schools and community or technical colleges. For the most part, these programs have not been coordinated. The 1990 Perkins amendments seek to encourage a systematic link between high school and postsecondary technical training through a program called "Tech-Prep" (short for technical preparation).

The Tech-Prep program, funded as one of the Special Programs, promotes the development of integrated four-year (last two years of high school and two years of postsecondary education) programs with a focused and rigorous curriculum of both academic and technical content. In practice, many Tech-Prep programs include counseling and other services for students before their last two years of high school and offer opportunities for students to continue their education beyond the community college level at four-year colleges and universities. Federal funding for Tech-Prep is relatively small but the idea has attracted wide interest at the state and local levels. Also see the section on the "School-to-Work Opportunities Act" below.

Adult Education Act

The Adult Education Act provides financial and technical support to states to expand and improve educational opportunities for adults who lack the level of literacy skills necessary to qualify for occupational training and productive employment. Federal funds are targeted to "educationally disadvantaged" adults who often are screened out of mainstream training programs. Programs funded under this act are often coordinated with other targeted programs such as JTPA and JOBS because of the similar purposes and overlapping client groups served by each program.

The Fitzgerald (National Apprenticeship) Act

Formal, or "registered," apprenticeship is a method of training that combines extensive on-the-job training with "related" or "theoretical" instruction in the classroom. Most apprenticeship programs require that prospective apprentices pass an entrance exam to determine whether the candidate has the requisite basic skills to participate in the program and require three to five years of work experience for

completion and achievement of "journey level" status. There are currently some 300,000 registered apprentices in the United States, largely in the construction and metal working trades.

The Fitzgerald, or National Apprenticeship, Act was enacted in 1937 to promote the expansion of apprenticeship as a form of training and to create a national apprenticeship system in cooperation with the state governments. The Fitzgerald Act is one of the few pieces of federal legislation that supports a system of training for existing workers rather than the unemployed.

The apprenticeship system is composed of individual apprenticeship programs for a single trade or related trades sponsored by employers, often in conjunction with labor unions, in which individual apprentices are enrolled, hired, trained, and tracked until completion of the apprenticeship.

Supporting the programs is a network of federal and state apprenticeship representatives who make available promotional and technical assistance to program operators. These representatives ensure that the programs meet the standards necessary to be "registered" with the government.

Registered Apprenticeship and "Youth Apprenticeship." In recent years a movement has grown up in support of an experimental training approach called "youth apprenticeship." Youth apprenticeship is a school-to-work transition program for high school and community college students which adapts the principles of apprenticeship to the school-to-work setting.

These programs may or may not be linked to the registered apprenticeship system depending upon the occupations involved. (Many youth apprenticeship programs are in service occupations in such industries as banking, insurance, and health care rather than the more traditional craft trades.)

Registered apprenticeship tends to serve an older population — the average age of registered apprentices is 27 — and usually involves less classroom instruction than the youth apprenticeship programs. However, in a number of cases registered apprenticeship has been successfully linked to youth apprenticeship programs. In this regard, congress passed the School-to-Work Opportunities Act (further information is provided below), which supports the development of youth apprenticeship and other programs that combine school-based and work-based learning for high school and community college students.

The Rehabilitation Act of 1973

With the passage of the Americans with Disabilities Act (ADA) of 1991, the employment of persons with disabilities has been given new prominence. The ADA guarantees the employment rights of the disabled but does not provide job training or other services for such persons. However, for decades the federal government has been supporting job training and related rehabilitation services for the disabled. The Rehabilitation Act of 1973, which has been amended numerous times, is the latest in a series of federal vocational rehabilitation statutes going back to the 1930s.

Administration. The Rehabilitation Act is administered at the federal level by the U.S. Department of Education, which makes grants to the states. The states combine federal and state funds — about 80 percent of the total funds are federal — to develop job training programs using state staff or through local contracts with nonprofit rehabilitation agencies, educational institutions, and job training agencies. However, there is no specific local delivery system analogous to the JTPA service delivery areas.

Services. Services are provided to disabled individuals who are in need of job training and rehabilitation and for whom there is a reasonable expectation that through the provision of services employment will result. The Rehabilitation Services program has as its primary goal the placement of disabled clients in permanent, unsubsidized employment. The Act encourages services to the most severely disabled who will benefit from the services.

To achieve this goal the Rehabilitation Act authorizes a wide range of services geared to the needs of the disabled. In addition to general and vocational education, on-the-job training, and placement services, the Act authorizes extensive diagnosis and evaluation, physical and mental health services (e.g., surgery, therapy, prosthetic devices), interpreter services, special transportation, and other services required to meet the specialized needs of the disabled.

Coordination. Agencies that run rehabilitation programs are required to work closely with existing education and training institutions and to use their services where possible. A number of JTPA Private Industry Councils jointly sponsor employment and training programs for the disabled with local rehabilitation services agencies.

Other Job Training-Related Legislation

The Wagner-Peyser Act

The Wagner-Peyser Act established the **Employment Service (ES)**, also called the **Job Service** in most states, in 1933 as a federal-state cooperative system in conjunction with the Unemployment Insurance (UI) program. Unemployment insurance premiums paid by employers underwrite the expenses of the Job Service, and unemployment insurance claimants are required to register with the Employment Service as a condition of receiving UI. However, ES services are available to anyone seeking work regardless of whether they are receiving Unemployment Insurance.

Services. The primary mission of the Job Service is to function as a "labor exchange" serving both employers and job seekers by matching job-ready applicants with employers who have jobs available. The Job Service also makes available employment counseling and testing services. However, most clients receive only labor exchange placement services through the network of over 1,700 local Job Service offices throughout the nation.

Local Job Service offices maintain lists of available jobs identified by Job Service staff and refer qualified individuals to these jobs. Some offices also provide group "job clubs" for self-directed job search. The ES does not directly pay for job training or education services but usually refers eligible clients to such services provided by JTPA or JOBS programs.

The state Employment Service agencies are also responsible for the development of state and local labor market information, including local area unemployment statistics (LAUS), occupational employment statistics (OES), and estimates of employment by industry.

Administration. Although the Job Service is funded through federal tax revenues collected under the Federal Unemployment Tax Act (FUTA), the services are delivered through the individual **State Employment Security Agencies (SESAs)** and all local Job Service staff are state employees. The

federal role is largely limited to the allocation of funds, coordination among state employment service agencies, and ensuring minimum standards of service throughout the country.

There are local Job Service offices in all 50 states, Puerto Rico, the District of Columbia, and the U.S. territories. Local offices often have employer advisory committees known as **Job Service Employer Committees (JSECs)**, although these are not mandated by law.

Coordination. The Job Service is closely linked to the Unemployment Insurance system. Job Service offices are usually co-located with Unemployment Insurance program staff, and UI claimants are one of the primary sources of Job Service clientele.

The Job Training Partnership Act requires that each Private Industry Council include a representative of the local Employment Service and that the Employment Service develop jointly with the PIC and chief elected officials an annual local Job Service plan to ensure coordination between the two programs. In some instances, ES staff are co-located with JTPA. At the state level, the State Job Training Coordinating Council reviews and comments on the statewide Job Service plan to ensure coordination with education and training activities.

For 20 years (1968-1988) Job Service offices provided job placement and referral-to-training services for welfare recipients enrolled in the federal Work Incentive (WIN) program. The program was co-administered by the state Employment Security agencies and the state welfare departments. With the passage of the Job Opportunities and Basic Skills program, the state welfare departments became the sole administrators of the welfare job training and placement programs. Nevertheless, in many cases Employment Service offices continue to refer clients to welfare departments for services and to provide placement services for job-ready JOBS participants.

The Job Service is also one of the primary agencies that can assist employers in completing the necessary paperwork for the Targeted Jobs Tax Credit. (See description below.)

Unemployment Insurance (UI)

The Federal Unemployment Tax Act (FUTA or Title IX of the Social Security Act of 1935) and individual state unemployment tax acts provide the funding for weekly unemployment insurance benefits to eligible recipients. To be eligible one must be unemployed, have been working for four of the last five calendar quarters, and not have been fired from the last job. Less than one-third of all unemployed workers are eligible for benefits.

Recipients are eligible for up to 26 weeks of benefits. Extended benefits — EUB — are sometimes provided for up to an additional 26 weeks in areas of high unemployment. In most states the unemployment tax is a tax levied on employers only; employees do not contribute. Weekly benefit amounts are set by the states and vary from state to state. *Unemployment insurance recipients may continue to receive payments while participating in authorized training (including JTPA programs).*

The Higher Education Act

For the most part, the Higher Education Act supports general college education rather than job training

or technical education. However, in two areas the Act does have an impact on the extent and quality of job training in the United States. These are in the areas of financial aid and cooperative education.

Financial Aid. The Higher Education Act authorizes both federally insured student loan programs and the so-called Pell Grants for low- and moderate-income students. (Pell Grants are named after Rhode Island Senator Claiborne Pell, who originally sponsored the legislation creating this program.) These are available to students at any accredited institution of higher education and provide billions of dollars each year in support of students pursuing occupational education at public community and technical colleges as well as at accredited private technical and career schools.

The financial aid programs are administered through the states and the colleges themselves. The student loans, which were traditionally provided by private banks, now are direct government loans as a result of 1993 amendments to the Act.

Postsecondary Cooperative Education (Co-op). This is an approach to learning which combines education with work experience usually in a field related to the student's major area of study. Co-op programs for high school students and postsecondary school (community and four-year college) students are supported under the Carl Perkins Act (as an allowable activity but with no separate funding) and through a small grant program in the Higher Education Act, respectively. Most co-op programs, however, are sponsored by local school districts or colleges without the benefit of federal funds. Program quality varies widely.

At the high school level, co-op is often used in the retail trade and services industries for students who are having difficulty completing their academic requirements for graduation. (Students usually receive academic credit for the work experience portion of the program.) At the postsecondary level, co-op is more often used for technical and engineering students.

Co-op programs have many similarities with youth apprenticeship and other school-to-work programs, but to be eligible for funding under the school-to-work legislation, high school co-op programs would have to meet more rigorous academic and vocational standards than are now commonly the case for such programs.

The School-to-Work Opportunities Act

The School-to-Work Opportunities Act, signed into law in 1994, is an approach to education that seeks to prepare high school students for careers by linking what is learned in school with work. Jointly administered by the U.S. Departments of Education and Labor, the legislation establishes a national framework that enables partnerships between educators and employers, parents, labor, and community-based organizations to develop new learning opportunities. School-to-work programs seek to expand traditional vocational training programs by offering a wider variety of occupational and professional instruction and to better involve industry as training partners. High academic achievement also is expected in these programs.

The act provides federal seed money intended to fund the development of statewide school-to-work systems. Eight states have received funding as of late 1994 and additional states will be added through an on-going competitive grant process. Local communities, especially those in high poverty areas, may compete for community grants. All grants will emphasize the establishment of school-to-work systems rather than discrete programs.

The Older Americans Act

Title V of the Older Americans Act authorizes the **Senior Community Service Employment Program**, which funds part-time, minimum-wage jobs for low-income individuals 55 years of age and older. These individuals perform a wide variety of community services with public and private nonprofit agencies.

While this program does not provide job training directly, it is often linked to JTPA Older Worker programs, which train and place low-income workers over age 55. The Senior Community Service program does encourage the placement of participants in unsubsidized employment in order to allow a greater number of individuals to flow through the program each year.

The Targeted Jobs Tax Credit

The Targeted Jobs Tax Credit (TJTC) provides employers who hire individuals from certain targeted groups with a credit against taxes owed. These target groups include low-income 18- to 22-year-olds, low-income 16- to 17-year-old students who are hired for summer jobs, welfare recipients, disabled and low-income Vietnam-era veterans, and low-income ex-offenders.

Except in the case of summer youth, employers may claim a credit of up to \$2,400 (40 percent of the first year's wages) per individual worker from any of the eligible target groups hired and retained on the job for at least 90 days. For summer youth a maximum of \$1,200 credit per worker is available if the employer retains the young person in the summer job for at least 14 days or 20 hours of work.

This program can be linked to the hiring of participants eligible for services under the Job Training Partnership Act and the Job Opportunities and Basic Skills welfare job training program. Local Job Service offices handle the paperwork for all eligible TJTC participants.

For Further Information

This section of the orientation package is meant to provide a general overview of federal legislation affecting job training. For further information you may wish to contact your local Private Industry Council, Employment Service office, or other local agency mentioned in this publication. At the national level you may wish to contact:

The National Commission for Employment Policy
1440 L Street, N.W.
Suite 900
Washington, D.C. 20005
(202) 724-1545

The National Association of Private Industry Councils
1201 New York Avenue, N.W.
Suite 350

Washington, D.C. 20005
(202) 289-2950